

LOUISIANA
 DEPARTMENT of REVENUE

**Refundable Credits Reduction Worksheet
 (Acts 125 and 133) for IT-540, IT-540B and
 IT-540B-NRA**

2014 and Prior Tax Years

Tax Year

Line	Description	COLUMN 1: Amount prior to Act 125 Reduction	Allowable Portion	COLUMN 2: Amount allowed under Act 125
1.	Louisiana Citizens Insurance Credit		72%	
Schedule F Reductions				
2.	Credit for Military Hunting & Fishing Licenses		72%	
3.	Prison Industry Enhancement (55F)		72%	
4.	Milk Producers (58F)		72%	
5.	Historic Residential (60F)		72%	
6.	Alternative Fuel – Fueling Station & Conversions (71F)		72%	
7.	Alternative Fuel – If taxpayer elects not to determine cost for new car (71F)		See instructions	
PART II: If your inventory tax credit is \$10,000 or more, complete Lines 1 through 9.		COLUMN 1: Inventory Tax Credit, code 50F	COLUMN 2: Ad Valorem Natural Gas Credit, code 51F	
1	Total amount of your credit before Act 133 reduction.			
2	Enter the amount of any Inventory Tax or Ad Valorem Natural Gas Credit Carryforward from tax year _____ due to Act 133.			
3	Total credit available for use. Add Lines 1 and 2.			
4	Enter the amount of your total income and consumer use tax.			
5	Enter the amounts of refundable credits applied on your return before this Schedule F.			
5a	Refundable School Readiness Credit			
5b	Refundable Child Care Credit			
5c	Earned Income Credit			
5d	Louisiana Citizens Insurance Credit			
5e	Total Refundable credits applied on your return before this schedule. Add Lines 5a through 5d.			
6	Tax Liability before applying Inventory Tax Credit or Ad Valorem Natural Gas Credit. (See instructions)			
7	Amount of credit exceeding tax. Subtract Line 6 from Line 3.			
8	If Line 7 is greater than zero, multiply Line 7 by 75 percent. This is the refundable portion of your credit.			
9	Add Line 6 and Line 8. Enter result here and on Schedule F.			
10	Subtract Line 8 from Line 7 to compute your credit carry forward to next tax year.			

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Instructions to Refundable Credits Reduction Worksheet Form R-540CRW for use with Forms IT-540, IT-540B and IT-540B NRA

This worksheet has been created to reflect the reduction in certain income tax credits according to Act 125 and 133 of the 2015 Regular Session of the Louisiana Legislature. The reductions are applicable when claimed on any return filed on or after July 1, 2015, but before June 30, 2018 regardless of the taxable year the return relates. Please refer to Revenue Information Bulletin 015-018 for information regarding amended returns and 2014 returns filed on extension. This worksheet should be used in completing your individual income tax return. Round all amounts to the nearest dollar.

All references to Schedule F also include Schedule F-NR for those filing IT-540-B and Schedule F-NRA for those filing IT-540B-NRA unless otherwise stated.

In the box labeled "Tax Year", enter the tax year for which you are completing this worksheet.

Line 1 – Enter the amount of the Louisiana Citizens Property Insurance assessment that was included in your homeowner's insurance premium in Column 1. Multiply the credit by 72 percent (.72). Enter the result in Column 2 and on your return. Below are the tax return types and line numbers to enter the credit on the tax return.

Tax Year	Form IT-540	Form IT-540B	IT-540B NRA
2006	Schedule F line 9	Schedule F line 9	Line 15A
2007	Line 21	Line 21	Line 15A
2008-2014	Line 22	Line 22	Line 15A

Line 2- Military Hunting and Fishing Licenses R.S. 47:297.9 allows a credit for 100 percent of the amount paid by an active or reserve servicemember, the spouse of an active or reserve servicemember, or the dependent of such servicemember for obtaining a Louisiana noncommercial hunting and fishing license was allowed. Calculate the original credit and enter the amount in Column 1. Multiply the credit by 72 percent (.72). Enter the result in Column 2 and on Schedule F, Line 1.

Lines 3 through 7: The additional refundable credits that were reduced by Act 125 are referenced individually by a three-digit code. Enter the dollar amounts in the appropriate spaces in Column 1 and 2 on Lines 3 through 7. Also enter the credit description, identifying code, and the dollar amount from Column 2 in the appropriate spaces on Schedule F.

NOTE: Use only the codes referenced in the table on this worksheet.

Line 3 – Prison Industry Enhancement (55F) - R.S. 47:6018 allows a refundable credit for the state sales and use tax paid by a taxpayer on purchases of specialty apparel items from a private sector Prison Industry Enhancement (PIE) contractor. The amount of the credit shall be equal to the state sales and use tax paid by the purchaser on each case or other unit of apparel during the purchaser's tax year as reflected on the books and records of the purchaser during his tax year. Enter the PIE credit in Column 1. Multiply by 72 percent (.72). Enter the results in Column 2 and on Schedule F under additional refundable credits with the identifying three-digit code.

Line 4 – Milk Producers (58F) - R.S. 47:6032 allows a refundable credit for a resident taxpayer engaged in the business of producing milk for sale. Prior to Act 125, the cap amount for the credit was \$30,000. Enter the amount of the credit as figured based on Revenue Information Bulletin 08-014 in Column

1. Multiply the amount by 72 percent (.72). The reduced cap is \$21,600. Enter the results in Column 2 and on Schedule F under additional refundable credits with the identifying three-digit code.

Line 5 – Historic Residential- R.S. 47:297.6 allows a refundable credit for the amount of eligible costs and expenses incurred during the rehabilitation of an owner-occupied residential or owner-occupied mixed use structure located in a National Register Historic District, a cultural district, a local historic district, a Main Street District, or a downtown development district. Prior to the Act 125, the tax credit is limited to one credit per rehabilitated structure and cannot exceed \$18,500 per structure. Enter credit amount in Column 1. If the credit is for the rehabilitation of an owner-occupied residential structure, the credit shall be eighteen and one-half of one percent of the eligible costs and expenses of a rehabilitation for which an application for credit has been filed for the first time after July 1, 2011. If the credit is for the rehabilitation of a vacant and blighted owner-occupied residential structure that is at least fifty years old, the credit is 36 percent of the eligible costs and expenses of a rehabilitation for which an application for credit has been filed for the first time after July 1, 2011. Calculate the reduced credit and enter amount in Column 2 and on Schedule F under additional refundable credits with the identifying three-digit code.

Line 6 – Alternative Fuel - Fueling Station & Conversions - R.S. 47:6035 allows a refundable credit for the purchase of, or conversion of a vehicle designed to run on an alternative fuel. Prior to Act 125, the credit is equal to 50 percent of the cost of the qualified clean-burning motor vehicle fuel property that has been purchased and installed. If the taxpayer is unable to determine the exact cost attributable to the qualified clean-burning motor vehicle, please skip and go to Line 7. Calculate the credit and enter amount in Column 1. Under Act 125, the credit is equal to 36 percent of the cost of the qualified clean-burning motor vehicle fuel property that has been purchased and installed. Calculate the reduced credit and enter amount in Column 2 and on Schedule F under additional refundable credits with the identifying three-digit code.

Line 7 – Conversion of Vehicle to Alternative Fuel - Prior to Act 125, if the taxpayer is unable to determine the exact cost attributable to the qualified clean-burning motor vehicle, a credit equal to 10% of the cost of the motor vehicle registered in this state or \$3,000, whichever is less, may be claimed. Calculate the credit and enter amount in Column 1. Under Act 125, if the taxpayer elects not to determine the exact cost, a credit equal to 7.2 percent or \$1,500, whichever is less, may be claimed. Calculate the reduced credit and enter amount in Column 2 and on Schedule F under additional refundable credits with the identifying three-digit code.

INVENTORY TAX OR AD VALOREM NATURAL GAS CREDIT-

Only complete this portion if your credit based on R.S. 47:6006 before Act 133 reduction is equal to or greater than \$10,000.

Line 1 – Calculate the inventory or ad valorem natural gas credit based on R.S. 47:6006 before Act 133 reduction.

Line 2 – If you have a credit carry forward from the prior tax year due to Act 133 reduction, enter the tax year in the space provided on Line 2 and enter the amount of the carry forward. This amount can be found on line 9 of the prior tax year's Form R-540CRW.

Line 3 – Add lines 1 and 2 to compute the amount of credit available for use.

Line 4 – Enter amount of your total tax. If you are claiming both credits, enter your total tax in Column 1 only. See table below for tax periods and line numbers to find your tax liability.

Tax Year	IT-540	IT-540B	IT-540B NRA
2004-2006	Line 14	Line 14C	Line 14
2007-2014	Line 18	Line 19	Line 14

Line 5a – Enter the amount of your refundable school readiness credit claimed on your tax return. If you are claiming both credits, enter the amount in Column 1 only. See table below for tax periods and line numbers to find your credit.

Tax Year	IT-540	IT- 540B	IT-540B NRA
2008-2014	Line 20	Line 21	N/A

Line 5b – Enter the amount of your refundable child care credit claimed on your tax return. If you are claiming both credits, enter the amount in Column 1 only. See table below for tax periods and line numbers to find your credit.

Tax Year	IT-540	IT- 540B	IT-540B NRA
2004-2006	Line 15A	Line 20	N/A
2007-2014	Line 19	Line 20	N/A

Line 5c – Enter the amount of your earned income credit claimed on your tax return. If you are claiming both credits, enter the amount in Column 1 only. See table below for tax periods and line

numbers to find your credit.

Tax Year	IT-540	IT- 540B	IT-540B NRA
2008-2014	Line 21	N/A	N/A

Line 5d – Enter the amount of your Louisiana Citizens credit from Line 1, Column 2 of this worksheet (Line 1 before Schedule F reductions). If you are claiming both credits, enter the amount in Column 1 only.

Line 5e – Add Lines 5A through 5D in each Column.

Line 6 – Subtract Line 5E from Line 4 to calculate your tax liability before Inventory Tax Credit or Ad Valorem Natural Gas Credit. If you are claiming both credits, enter the amount in Column 1 only.

Line 7 – Subtract Line 6 from Line 3 and enter the result. This is the amount of the credit that exceeds tax. If this amount is less than or equal to zero, enter the amount from Line 3 on Schedule F under additional refundable credits with the identifying three-digit code. If you are not claiming both credits, stop here; you are finished with the worksheet.

If you are claiming both credits: If the amount in Column 1, Line 7 is greater than or equal to zero, your tax liability (Line 6) for the purpose of calculating Column 2 is zero. If the amount in Column 1, Line 7 is less than zero, subtract Line 3, Column 1, from Line 6, Column 1, and enter the result on Line 6, Column 2. This is your remaining tax liability (Line 6) for the purpose of calculating Column 2.

Line 8 – If Line 7 is greater than zero, multiple Line 7 by 75 percent. This is the refundable portion of your credit.

Line 9 – Add Line 6 and Line 8. Enter the amount on Schedule F under additional refundable credits with the identifying three digit code.

Line 10 – Subtract Line 8 from Line 7. This amount is your carryforward of the disallowed inventory or ad valorem credit. Please refer to Act 133 for more information.